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2 Farm-Mortgage Lending

Experience of 20 Life Insurance Companies,
Federal Land Banks, and
Farmers Home Administration
OCTOBER THROUGH DECEMBER 1963

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Farm Production Economics Division, Economic Research Service, USDA

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Volume of new farm-mortgage loans closed, including increases, reached \$415 million for the 3 reporting lenders in the last quarter of 1963. This amount, a record for the quarter, was 10 percent larger than the amount loaned in fourth quarter 1962. Loans of the 20 reporting life insurance companies and of the Federal land banks increased sharply--by 27 percent and 23 percent, respectively. Loans made by the Farmers Home Administration, however, were down 45 percent from the unusual peak reached in fourth quarter 1962.

Farm-mortgage lending activity in the first 3 quarters of 1963 had also been strong. Loan volume of the 3 lenders for all of 1963 exceeded the 1962 amount by 20 percent; loans of the life insurance companies were 38 percent larger; those of the Federal land banks were 15 percent larger. Farmers Home Administration lending, however, declined 14 percent from the 1962 level.

Principal payments on loans, and loans paid in full, were strong during fourth quarter 1963 and for the year. Repayments rose slightly as a percent of outstandings by borrowers from the life insurance companies and the Federal land banks, and were unchanged for borrowers from the Farmers Home Administration. Loans with interest overdue, or otherwise in apparent difficulties, continued at the negligible amount that has been characteristic of farm-mortgage lending for many years. Despite a further increase in farm-mortgage lending, there was no indication that loan quality was deteriorating.

Outstanding farm-mortgage loans held by the 3 lenders rose \$729 million or about 10.5 percent during 1963. In 1962, the increase was about \$594 million or 9.5 percent over the year before. Increases in both years were considerably greater than in other recent years.

Interest rates charged by the life insurance companies on their farm-mortgage loan commitments in fourth quarter 1963 continued to show little change from the rates in earlier quarters of the year. Rates averaged 5.76 percent in the fourth quarter. Rates charged by the Federal land banks also were unchanged; three-fourths of the banks continued to charge 5.50 percent. Farmers Home Administration loans continued at the statutory rates of 5 percent for farm-ownership loans and 4 percent for farm and nonfarm rural-housing loans.

Life Insurance Companies

The 20 reporting life insurance companies increased their lending volume by 27 percent over fourth quarter 1962. Number of loans closed increased 9 percent, while the average size of loan, at about \$30,200, was up 13 percent. The volume of mortgage loan commitments made during the fourth quarter--an indication of future lending activity--was 46 percent larger than in the year-earlier quarter. The purposes for which mortgage funds were committed showed little change during the quarter. About 35 percent of the money was to be used for purchase of farm real estate, 49 percent for the refinancing of debt, and the remainder for various other purposes.

Federal Land Banks

Lending volume in the fourth quarter was 23 percent larger than in fourth quarter 1962. Both the number of loans closed and their average size increased; in recent preceding quarters, the numbers of loans closed had not changed much. In the last half of 1963, land bank loans averaged about \$15,500.

Of the 12 Federal land banks, 9 were charging rates in the fourth quarter of 5.50 percent, 1 of 5.75 percent, 1 of 5.20 percent, and 1 of 5.00 percent. None of the banks had changed rates since September 16, 1963. Rates currently charged at 4 of the banks were on a temporary basis: The new loans were being written at rates 0.50 percent higher than the temporary rate at 3 banks, and 0.30 percent higher at 1 bank.

Farmers Home Administration

Direct loans made by the FHA in the last quarter of 1963 were 45 percent less than the volume made in fourth quarter 1962 when these loans had reached an unusually high peak. Of the \$44 million in loans acquired (plus increases) in fourth quarter 1963, \$6 million were for farm-ownership loans and \$38 million for rural housing. About three-fourths of the rural-housing loans made in recent months were to nonfarm rural residents. The loans behind schedule in payments were a slightly smaller percent of total loans than in the year-earlier quarter.

The Farmers Home Administration insures loans made by other lenders as well as makes direct loans. The outstanding amount of these insured loans to individuals, mostly farm-ownership loans, increased \$140 million during 1963 to \$553 million. In 1962, the outstanding amount of these loans increased \$179 million.

The following tables compare farm-mortgage lending activity of the 3 lender groups for selected periods of 1962 and 1963.

Table 1.--Life insurance companies: Farm-mortgage loans, 20 companies, United States, selected quarters, 1962 and 1963

| Item | Quarter ending-- | | | Percentage change, quarters ending-- | |
|--|------------------|----------------|---------------|--------------------------------------|-----------------------------|
| | Dec. 31, 1962 | Sept. 30, 1963 | Dec. 31, 1963 | Dec. 31, 1962, and Dec. 31, 1963 | Sept. 30, and Dec. 31, 1963 |
| <u>Beginning of Quarter</u> | | | | <u>Percent</u> | <u>Percent</u> |
| Mortgages owned: | | | | | |
| Number----- | 193,066 | 192,761 | 193,160 | 1/ | 0.2 |
| Principal indebtedness: | | | | | |
| Total-----1,000 dollars---- | 3,129,943 | 3,361,355 | 3,463,331 | 10.7 | 3.0 |
| Average-----dollars----- | 16,210 | 17,440 | 17,930 | 10.6 | 2.8 |
| <u>During Quarter</u> | | | | | |
| Mortgages acquired: | | | | | |
| Number----- | 3,528 | 3,532 | 3,837 | 8.8 | 8.6 |
| Principal indebtedness: | | | | | |
| Total 2/-----1,000 dollars---- | 113,143 | 137,584 | 143,438 | 26.8 | 4.3 |
| Average 3/-----dollars----- | 26,790 | 30,760 | 30,210 | 12.8 | -1.8 |
| Increase in principal of mortgages already owned 3/-----1,000 dollars---- | 22,465 | 22,558 | 28,339 | 26.1 | 25.6 |
| Payments on principal of mortgages: | | | | | |
| Mortgages paid in full: | | | | | |
| Number----- | 4,001 | 3,135 | 4,262 | 6.5 | 35.9 |
| Amount: | | | | | |
| Total 4/-----1,000 dollars---- | 39,227 | 37,780 | 46,364 | 18.2 | 22.7 |
| Average 5/-----dollars----- | 8,770 | 11,700 | 9,750 | 11.2 | -16.7 |
| Other 5/-----1,000 dollars---- | 42,345 | 20,386 | 47,556 | 12.3 | 133.3 |
| Total-----do----- | 81,572 | 58,166 | 93,920 | 15.1 | 61.5 |
| Percent of principal indebtedness, beginning of quarter----- | 2.6 | 1.7 | 2.7 | --- | --- |
| Mortgages on farm properties acquired by foreclosure and voluntary conveyance: | | | | | |
| Number----- | 8 | 0 | 4 | -50.0 | --- |
| Principal indebtedness: | | | | | |
| Total-----1,000 dollars---- | 220 | 0 | 81 | -63.2 | --- |
| Average-----dollars----- | 27,500 | 0 | 20,250 | -26.4 | --- |
| <u>End of Quarter</u> | | | | | |
| Mortgages owned: | | | | | |
| Number 6/----- | 192,571 | 193,160 | 192,696 | .1 | -.2 |
| Principal indebtedness: | | | | | |
| Total-----1,000 dollars---- | 3,183,759 | 3,463,331 | 7/3,541,016 | 11.2 | 2.2 |
| Average-----dollars----- | 16,530 | 17,930 | 18,380 | 11.2 | 2.5 |
| Mortgages in process of foreclosure: | | | | | |
| Number----- | 59 | 73 | 49 | -16.9 | -32.9 |
| Percent of total----- | 1/ | 1/ | 1/ | --- | --- |
| Principal indebtedness-----1,000 dollars---- | 1,502 | 1,308 | 944 | -37.2 | -27.8 |
| Percent of total----- | 1/ | 1/ | 1/ | --- | --- |
| Mortgages with interest overdue more than 3 months: | | | | | |
| Number----- | 184 | 405 | 193 | 4.9 | -52.3 |
| Percent of total----- | .1 | .2 | .1 | --- | --- |
| Principal indebtedness-----1,000 dollars---- | 10,503 | 11,725 | 5,183 | -50.7 | -55.8 |
| Percent of total----- | .3 | .3 | .1 | --- | --- |
| Mortgage-loan commitments during quarter: | | | | | |
| Number----- | 5,767 | 5,432 | 6,536 | 13.3 | 20.3 |
| Amount: | | | | | |
| Total-----1,000 dollars---- | 191,099 | 206,278 | 279,578 | 46.3 | 35.5 |
| Average-----dollars----- | 33,140 | 37,980 | 42,780 | 29.1 | 12.6 |

1/ Less than 0.05 percent. 2/ Includes increase in principal indebtedness of mortgages already owned for 2 companies. 3/ 18-company data; excludes the 2 companies that did not separate principal of farm mortgages acquired and increase in principal of mortgages already owned. 4/ Includes principal payments on farm mortgages not paid in full for 2 companies. 5/ 18-company data; excludes the 2 companies that did not separate principal payments on mortgages paid in full from payments on other mortgages not paid in full. 6/ Because of consolidation and/or splitting of loans, there was a net decrease of 14 loans in the 4th quarter of 1962, a net increase of 2 loans in the 3d quarter, and a net decrease of 35 loans in the 4th quarter of 1963, respectively. 7/ Because of consolidation and/or splitting of loans there was a net decrease of \$91,000.

Table 2.--Life insurance companies: Purposes of farm-mortgage-loan commitments, 19 companies, United States, selected quarters, 1962 and 1963

| Item | Quarter ending-- | | | | |
|--|------------------|------------------|------------------|-------------------|------------------|
| | Dec. 31, 1962 | Mar. 31, 1963 | June 30, 1963 | Sept. 30, 1963 | Dec. 31, 1963 |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Amount of commitments----- | 190,821 | 248,370 | 227,845 | 206,278 | 279,564 |
| Percentage of total funds committed for-- | Percent | Percent | Percent | Percent | Percent |
| Farm real estate purchases--- | 36.7 | 35.7 | 34.3 | 35.9 | 35.0 |
| Refinancing <u>1</u> /-- | | | | | |
| Mortgages held by-- | | | | | |
| Own company----- | 20.2 | 23.6 | 23.4 | 21.1 | 18.6 |
| Others----- | 11.9 | 10.2 | 9.1 | 10.8 | 13.6 |
| Total----- | 32.1 | 33.8 | 32.5 | 31.9 | 32.2 |
| Other indebtedness----- | 16.9 | 16.6 | 14.3 | 16.4 | 16.9 |
| Total refinancing--- | 49.0 | 50.4 | 46.8 | 48.3 | 49.1 |
| Repairs and improvements to land and buildings----- | 7.3 | 6.0 | 8.3 | 7.3 | 8.0 |
| Other purposes: | | | | | |
| Known----- | 7.0 | 7.8 | 10.6 | 8.5 | 7.8 |
| Unknown----- | <u>2</u> / | .1 | <u>2</u> / | <u>2</u> / | .1 |
| All purposes----- | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

1/ Distribution between mortgages held by own company and by others estimated for 2 companies; distribution of debt refinancing between real estate mortgages held by others and other indebtedness estimated for 1 company. 2/ Less than 0.05 percent.

Table 3.--Life insurance companies: Interest rates on farm-mortgage-loan commitments, Oct. 1 through Dec. 31, 1963 1/

| Interest rate | Loans | | Amount | | Average size of loan |
|-----------------------------|--------|----------------------------|-------------|----------------------------|-------------------------|
| | Number | Percentage distribution | Total | Percentage distribution | |
| | | Percent | Dollars | Percent | Dollars |
| 5 percent or less----- | 10 | 0.3 | 229,290 | 0.2 | 22,930 |
| 5 1/4 percent----- | 24 | .8 | 808,500 | .6 | 33,690 |
| 5 1/2 percent----- | 1,294 | 44.2 | 45,522,668 | 32.8 | 35,180 |
| 5 3/4 percent----- | 671 | 22.9 | 33,438,565 | 24.1 | 49,830 |
| 6 percent----- | 846 | 28.9 | 49,445,940 | 35.7 | 58,450 |
| 6 1/4 percent----- | 52 | 1.8 | 7,965,678 | 5.7 | 153,190 |
| 6 1/2 percent----- | 33 | 1.1 | 1,177,528 | .9 | 35,680 |
| 6 3/4 percent and over----- | 1 | <u>2</u> / | 5,000 | <u>2</u> / | 5,000 |
| Total or average----- | 2,931 | 100.0 | 138,593,169 | 100.0 | 47,290 |

1/ The weighted average interest rate, based on 3,760 loans and a total amount committed of \$165,423,187 is 5.760 percent. 2 companies did not report interest rates. The weighted average interest rate for 1962 was 5.809 percent and for 1963, 5.748 percent. 2/ Less than 0.05 percent.

Table 4.--Life insurance companies: Farm-mortgage loans, 20 companies, United States, Jan. 1 through Dec. 31, 1962 and 1963

| Item | 1962 | 1963 | Percentage change |
|--|------------------|---------------------|-------------------|
| <u>Beginning of Period</u> | | | <u>Percent</u> |
| Mortgages owned: | | | |
| Number----- | 193,271 | <u>1/</u> 192,574 | -0.4 |
| Principal indebtedness: | | | |
| Total-----1,000 dollars----- | 2,964,222 | <u>1/</u> 3,183,643 | 7.4 |
| Average-----dollars----- | 15,340 | 16,530 | 7.8 |
| <u>During Period</u> | | | |
| Mortgages acquired: | | | |
| Number----- | 14,989 | 17,501 | 16.8 |
| Principal indebtedness: | | | |
| Total <u>2/</u> -----1,000 dollars----- | 454,675 | 630,410 | 38.7 |
| Average <u>3/</u> -----dollars----- | 25,590 | 28,380 | 10.9 |
| Increase in principal of mortgages already owned <u>3/</u> -----1,000 dollars----- | 86,659 | 115,056 | 32.8 |
| Payments on principal of mortgages: | | | |
| Mortgages paid in full: | | | |
| Number----- | 15,631 | 17,318 | 10.8 |
| Amount: | | | |
| Total <u>4/</u> -----1,000 dollars----- | 176,445 | 229,133 | 29.9 |
| Average <u>5/</u> -----dollars----- | 9,930 | 10,860 | 9.4 |
| Other <u>5/</u> -----1,000 dollars----- | 144,473 | 158,750 | 9.9 |
| Total-----do----- | 320,918 | 387,883 | 20.9 |
| Percent of principal indebtedness, beginning of period----- | 10.8 | 12.2 | --- |
| Mortgages on properties acquired by foreclosure and voluntary conveyance: | | | |
| Number----- | 21 | 5 | -76.2 |
| Principal indebtedness: | | | |
| Total-----1,000 dollars----- | 892 | 117 | -86.9 |
| Average-----dollars----- | <u>6/</u> 16,600 | 23,400 | 41.0 |
| <u>End of Period</u> | | | |
| Mortgages owned: | | | |
| Number <u>7/</u> ----- | 192,571 | 192,696 | .1 |
| Principal indebtedness: | | | |
| Total <u>8/</u> -----1,000 dollars----- | 3,183,759 | 3,541,016 | 11.2 |
| Average-----dollars----- | 16,530 | 18,380 | 11.2 |
| Mortgages in process of foreclosure: | | | |
| Number----- | <u>9/</u> 59 | 49 | --16.9 |
| Percent of total----- | <u>2/</u> | <u>2/</u> | --- |
| Principal indebtedness----1,000 dollars----- | 1,502 | 944 | -37.2 |
| Percent of total----- | <u>2/</u> | <u>2/</u> | --- |
| Mortgages with interest overdue more than 3 months: | | | |
| Number----- | 184 | 193 | 4.9 |
| Percent of total----- | .1 | .1 | --- |
| Principal indebtedness----1,000 dollars----- | 10,503 | 5,183 | -50.7 |
| Percent of total----- | .3 | .1 | --- |
| Mortgage-loan commitments during period: | | | |
| Number----- | 21,456 | 25,079 | 16.9 |
| Amount: | | | |
| Total-----1,000 dollars----- | 688,245 | 962,071 | 39.8 |
| Average-----dollars----- | 32,080 | 38,360 | 19.6 |

1/ Because of consolidation and/or splitting of loans there was a net increase of 3 loans in number and a net decrease of \$116,000 in amount from the number and amount reported at the end of the preceding year. 2/ Includes increase in principal indebtedness of mortgages already owned for 2 companies. 3/ 18-company data; excludes the 2 companies that did not separate principal of farm mortgages acquired and increase in principal of mortgages already owned. 4/ Includes principal payments on farm mortgages not paid in full for 2 companies. 5/ 18-company data; excludes the 2 companies that did not separate principal payments on mortgages paid in full from payments on other mortgages not paid in full. 6/ Excludes 1 large loan. 7/ Because of consolidation and/or splitting of loans there was a net decrease of 37 loans during 1962 and 56 loans during 1963. 8/ Because of consolidation and/or splitting of loans there was a net increase of \$13,000 during 1962 and a net decrease of \$93,000 during 1963. 9/ Less than 0.05 percent.

Table 5.--Life insurance companies: Purposes of farm-mortgage-loan commitments, 19 companies, United States, 1962 and 1963

| Item | Year ending-- | |
|---|-----------------|-----------------|
| | Dec. 31, 1962 | Dec. 31, 1963 |
| Farm real estate purchases----- | Percent 33.6 | Percent 35.2 |
| Refinancing 1/-- | | |
| Mortgages held by-- | | |
| Own company----- | 21.8 | 21.6 |
| Others----- | 12.7 | 11.0 |
| Total----- | 34.5 | 32.6 |
| Other indebtedness----- | 16.8 | 16.1 |
| Total refinancing----- | 51.3 | 48.7 |
| Repairs and improvements to land and buildings----- | 7.6 | 7.4 |
| Other purposes: | | |
| Known----- | 7.5 | 8.6 |
| Unknown----- | <u>2/</u> | .1 |
| All purposes----- | 100.0 | 100.0 |

1/ Distribution between mortgages held by own company and by others estimated for 2 companies; distribution of debt refinancing between real estate mortgages held by others and other indebtedness estimated for 1 company.

2/ Less than 0.05 percent.

Table 6.--Federal land banks: Farm-mortgage loans, United States, July 1, 1962, through Dec. 31, 1963 1/

| Item | 6 months ending-- | | | Percentage change, 6 months ending-- | |
|--|-------------------|------------------|------------------|---|-------------------------------------|
| | Dec. 31, 1962 | June 30, 1963 | Dec. 31, 1963 | Dec. 31, 1962, and Dec. 31, 1963 | June 30, and Dec. 31, 1963 |
| | | | | | |
| <u>Beginning of Period</u> | | | | <u>Percent</u> | <u>Percent</u> |
| Loans outstanding: <u>2/</u> | | | | | |
| Number----- | 381,147 | 379,754 | 380,493 | -0.2 | 0.2 |
| Principal indebtedness: | | | | | |
| Total-----1,000 dollars---- | 2,968,438 | 3,051,973 | 3,198,006 | 7.7 | 4.8 |
| Average-----dollars----- | 7,790 | 8,040 | 8,400 | 7.8 | 4.5 |
| <u>During Period</u> | | | | | |
| Loans made: <u>3/</u> | | | | | |
| Number----- | 21,407 | 25,550 | 23,119 | 8.0 | -9.5 |
| Principal indebtedness: | | | | | |
| Total-----1,000 dollars---- | 297,857 | 384,257 | 358,603 | 20.4 | -6.7 |
| Average-----dollars----- | 13,910 | 15,040 | 15,510 | 11.5 | 3.1 |
| Other increases: <u>4/</u> | | | | | |
| Number----- | 59 | 66 | 41 | -30.5 | -37.9 |
| Amount: | | | | | |
| Total-----1,000 dollars---- | 776 | 1,080 | 907 | 16.9 | -16.0 |
| Decreases: | | | | | |
| Principal repayments: <u>5/</u> | | | | | |
| Total-----1,000 dollars---- | 131,700 | 133,171 | 143,634 | 9.1 | 7.9 |
| Percent of unpaid principal, beginning of period----- | 4.4 | 4.4 | 4.5 | --- | --- |
| Other: <u>6/</u> | | | | | |
| Number----- | 10,798 | 12,457 | 11,994 | 11.1 | -3.7 |
| Amount: | | | | | |
| Total-----1,000 dollars---- | 83,398 | 106,133 | 103,999 | 24.7 | -2.0 |
| Average-----dollars----- | 7,720 | 8,520 | 8,670 | 12.3 | 1.8 |
| Paid in full: | | | | | |
| Number----- | 12,061 | 12,420 | 12,791 | 6.1 | 3.0 |
| Farm properties acquired by foreclosure and voluntary conveyance: | | | | | |
| Number----- | 14 | 27 | 20 | 42.9 | -25.9 |
| Principal indebtedness: | | | | | |
| Total-----1,000 dollars---- | 197 | 290 | 154 | -21.8 | -46.9 |
| Average-----dollars----- | 14,070 | 10,740 | 7,700 | -45.3 | -28.3 |
| <u>End of Period</u> | | | | | |
| Loans outstanding: <u>2/</u> | | | | | |
| Number----- | 379,754 | 380,493 | 378,868 | -.2 | -.4 |
| Principal indebtedness: | | | | | |
| Total-----1,000 dollars---- | 3,051,973 | 3,198,006 | 3,309,883 | 8.5 | 3.5 |
| Average-----dollars----- | 8,040 | 8,400 | 8,740 | 8.7 | 4.0 |
| Delinquent or extended: | | | | | |
| Number----- | 19,204 | 14,580 | 17,989 | -6.3 | 23.4 |
| Percent of total----- | 5.1 | 3.8 | 4.7 | --- | --- |
| Matured principal unpaid: | | | | | |
| Total-----1,000 dollars---- | 5,456 | 3,633 | 5,522 | 1.2 | 52.0 |
| Average-----dollars----- | 280 | 249 | 307 | 9.6 | 23.3 |
| Called for foreclosure: | | | | | |
| Number----- | 248 | 240 | 254 | 2.4 | 5.8 |
| Principal indebtedness: | | | | | |
| Total-----1,000 dollars---- | 1,602 | 1,877 | 2,051 | 28.0 | 9.3 |
| Average-----dollars----- | 6,460 | 7,820 | 8,070 | 24.9 | 3.2 |
| Farm properties owned: | | | | | |
| Number----- | 39 | 36 | 43 | 10.3 | 19.4 |
| Principal indebtedness: | | | | | |
| Total-----1,000 dollars---- | 362 | 431 | 467 | 29.0 | 8.4 |
| Average-----dollars----- | 9,280 | 11,970 | 10,860 | 17.0 | -9.3 |

1/ Includes Puerto Rico and Alaska. 2/ Excludes loans called for foreclosure. 3/ Gross number and amount of all loans made including new loans which replaced old loans, and loans canceled prior to disbursement of loan proceeds. 4/ Increase in number or amount of loans, or both, by reason of reamortization, reinstatements, and so on. 5/ Consists of principal matured and paid in advance, special principal payments and loans paid off prior to maturity, plus net decrease or minus net increase in principal matured and unpaid during period. Principal matured and unpaid was \$5,455,835 on Dec. 31, 1962, \$3,632,945 on June 30, 1963, and \$5,521,526 on Dec. 31, 1963. 6/ Includes loans replaced by new loans, loans canceled prior to disbursement of loan proceeds, loans canceled by deed, loans called for foreclosure, and loans charged off.

Farm Credit Administration - Accounting and Budget Division.

Table 7.--Federal land banks: Interest rates charged by districts, Dec. 31, 1963

| District | Rate | Effective date |
|------------------|----------------|----------------|
| | <u>Percent</u> | |
| Springfield----- | 5.75 | Mar. 27, 1961 |
| Baltimore----- | <u>1/</u> 5.50 | Sept. 16, 1963 |
| Columbia----- | <u>1/</u> 5.50 | July 1, 1961 |
| Louisville----- | 5.50 | Jan. 1, 1961 |
| New Orleans----- | 5.50 | Jan. 2, 1961 |
| St. Louis----- | 5.50 | Jan. 1, 1961 |
| St. Paul----- | 5.50 | Jan. 3, 1961 |
| Omaha----- | 5.50 | Mar. 24, 1961 |
| Wichita----- | 5.50 | Jan. 3, 1961 |
| Houston----- | <u>2/</u> 5.00 | Dec. 1, 1962 |
| Berkeley----- | <u>3/</u> 5.20 | Jan. 1, 1963 |
| Spokane----- | 5.50 | Apr. 1, 1961 |

1/ New loans are written at 6 percent; borrowers are currently charged 5.50 percent.

2/ New loans are written at 5.50 percent; borrowers are currently charged 5 percent.

3/ New loans are written at 5.50 percent; borrowers are currently charged 5.20 percent.

Farm Credit Administration.

Table 8.--Federal land banks: Farm-mortgage loans, United States, 1962 and 1963 1/

| Item | 1962 | 1963 | Percentage change |
|---|-----------|-----------|-------------------|
| <u>Beginning of Period</u> | | | <u>Percent</u> |
| Loans outstanding: <u>2/</u> | | | |
| Number----- | 379,940 | 379,754 | <u>3/</u> |
| Principal indebtedness: | | | |
| Total-----1,000 dollars----- | 2,827,973 | 3,051,973 | 7.9 |
| Average-----dollars----- | 7,440 | 8,040 | 8.1 |
| <u>During Period</u> | | | |
| Loans made: <u>4/</u> | | | |
| Number----- | 45,966 | 48,669 | 5.9 |
| Principal indebtedness: | | | |
| Total-----1,000 dollars----- | 644,707 | 742,860 | 15.2 |
| Average-----dollars----- | 14,030 | 15,260 | 8.8 |
| Other increases: <u>5/</u> | | | |
| Number----- | 122 | 107 | -12.3 |
| Amount: | | | |
| Total-----1,000 dollars----- | 1,665 | 1,987 | 19.3 |
| Decreases: | | | |
| Principal repayments: <u>6/</u> | | | |
| Total-----1,000 dollars----- | 252,190 | 276,805 | 9.8 |
| Percent of unpaid principal, beginning of period----- | 8.9 | 9.1 | --- |
| Other: <u>7/</u> | | | |
| Number----- | 22,364 | 24,451 | 9.3 |
| Amount: | | | |
| Total-----1,000 dollars----- | 170,182 | 210,132 | 23.5 |
| Average-----dollars----- | 7,610 | 8,590 | 12.9 |
| Paid in full: | | | |
| Number----- | 23,910 | 25,211 | 5.4 |
| Farm properties acquired by foreclosure and voluntary conveyance: | | | |
| Number----- | 40 | 47 | 17.5 |
| Principal indebtedness: | | | |
| Total-----1,000 dollars----- | 389 | 444 | 14.1 |
| Average-----dollars----- | 9,730 | 9,450 | -2.9 |
| <u>End of Period</u> | | | |
| Loans outstanding: <u>2/</u> | | | |
| Number----- | 379,754 | 378,868 | -.2 |
| Principal indebtedness: | | | |
| Total-----1,000 dollars----- | 3,051,973 | 3,309,883 | 8.5 |
| Average-----dollars----- | 8,040 | 8,740 | 8.7 |
| Delinquent or extended: | | | |
| Number----- | 19,204 | 17,989 | -6.3 |
| Percent of total----- | 5.1 | 4.7 | --- |
| Matured principal unpaid: | | | |
| Total-----1,000 dollars----- | 5,456 | 5,522 | 1.2 |
| Average-----dollars----- | 280 | 307 | 9.6 |
| Called for foreclosure: | | | |
| Number----- | 248 | 254 | 2.4 |
| Principal indebtedness: | | | |
| Total-----1,000 dollars----- | 1,602 | 2,051 | 28.0 |
| Average-----dollars----- | 6,460 | 8,070 | 24.9 |
| Farm properties owned: | | | |
| Number----- | 39 | 43 | 10.3 |
| Principal indebtedness: | | | |
| Total-----1,000 dollars----- | 362 | 467 | 29.0 |
| Average-----dollars----- | 9,280 | 10,860 | 17.0 |

1/ Includes Puerto Rico and Alaska. 2/ Excludes loans called for foreclosure. 3/ Minus less than 0.05 percent.

4/ Gross number and amount of all loans made including new loans that replaced old loans, and loans canceled prior to disbursement of loan proceeds. 5/ Increase in number or amount of loans, or both, by reason of reamortizations, reinstatements, and so on. 6/ Consists of principal matured and paid in advance, special principal payments and loans paid off prior to maturity, plus net decrease or minus net increase in principal matured and unpaid during period. Principal matured and unpaid was \$5,552,645 on Dec. 31, 1961, \$5,455,835 on Dec. 31, 1962, and \$5,521,526 on Dec. 31, 1963. 7/ Includes loans replaced by new loans, loans canceled prior to disbursement of loan proceeds, loans canceled by deed, loans called for foreclosure, and loans charged off.

Farm Credit Administration - Accounting and Budget Division.

Table 9.--Farmers Home Administration: Direct farm-ownership and rural-housing loans, United States, selected quarters, 1962 and 1963 1/

| Item | Quarter ending-- | | | Percentage change, quarters ending-- | |
|--|------------------|----------------|---------------|--------------------------------------|-----------------------------|
| | Dec. 31, 1962 | Sept. 30, 1963 | Dec. 31, 1963 | Dec. 31, 1962, and Dec. 31, 1963 | Sept. 30, and Dec. 31, 1963 |
| | | | | | |
| <u>Beginning of Quarter</u> | | | | <u>Percent</u> | <u>Percent</u> |
| Mortgages owned: | | | | | |
| Number----- | 78,564 | 90,424 | 93,500 | 19.0 | 3.4 |
| Principal indebtedness-----1,000 dollars-- | 623,066 | 735,464 | 775,177 | 24.4 | 5.4 |
| <u>During Quarter</u> | | | | | |
| Mortgages acquired: | | | | | |
| Number----- | 8,012 | 4,075 | 4,288 | -46.5 | 5.2 |
| Principal indebtedness-----1,000 dollars-- | 79,310 | 46,727 | 43,306 | -45.4 | -7.3 |
| Increase in principal of mortgages already owned-----1,000 dollars-- | 967 | 1,566 | 897 | -7.2 | -42.7 |
| Payments on principal of mortgages: | | | | | |
| Mortgages paid in full: | | | | | |
| Number----- | 835 | 975 | 1,248 | 49.5 | 28.0 |
| Amount-----1,000 dollars-- | 3,815 | 4,772 | 5,717 | 49.9 | 19.8 |
| Other-----do----- | 6,899 | 3,658 | 7,648 | 10.9 | 109.1 |
| Total-----do----- | 10,714 | 8,430 | 13,365 | 24.7 | 58.5 |
| Percent of principal indebtedness, beginning of quarter----- | 1.7 | 1.1 | 1.7 | --- | --- |
| Mortgages on farm properties acquired by foreclosure and voluntary conveyance: | | | | | |
| Number----- | 23 | 24 | 23 | 0 | -4.2 |
| Principal indebtedness-----1,000 dollars-- | 180 | 150 | 146 | -18.9 | -2.7 |
| <u>End of Quarter</u> | | | | | |
| Mortgages owned: | | | | | |
| Number----- | 85,718 | 93,500 | 96,517 | 12.6 | 3.2 |
| Principal indebtedness-----1,000 dollars-- | 692,449 | 775,177 | 805,869 | 16.4 | 4.0 |
| Mortgages behind schedule in regard to amortization payments: | | | | | |
| Number----- | 2,755 | 3,776 | 2,702 | -1.9 | -28.4 |
| Percent of total----- | 3.2 | 4.0 | 2.8 | --- | --- |
| Principal indebtedness-----1,000 dollars-- | 24,964 | 34,371 | 24,915 | -.2 | -27.5 |
| Percent of total----- | 3.6 | 4.4 | 3.1 | --- | --- |
| Mortgages in process of foreclosure: | | | | | |
| Number----- | 67 | 68 | 74 | 10.4 | 8.8 |
| Percent of total----- | .1 | .1 | .1 | --- | --- |
| Principal indebtedness-----1,000 dollars-- | 709 | 839 | 897 | 26.5 | 6.9 |
| Percent of total----- | .1 | .1 | .1 | --- | --- |
| Mortgage-loan commitments during quarter: <u>2/</u> | | | | | |
| Farm-ownership loans: <u>3/</u> | | | | | |
| Number----- | 85 | 75 | 112 | 31.8 | 49.3 |
| Amount: | | | | | |
| Total-----1,000 dollars-- | 632 | 484 | 807 | 27.7 | 66.7 |
| Average-----dollars-- | 7,440 | 6,450 | 7,210 | -3.1 | 11.8 |
| Rural-housing loans: <u>4/</u> | | | | | |
| Number----- | 2,335 | 3,033 | 3,411 | 46.1 | 12.5 |
| Amount: | | | | | |
| Total-----1,000 dollars-- | 21,175 | 29,043 | 31,961 | 50.9 | 10.0 |
| Average-----dollars-- | 9,070 | 9,580 | 9,370 | 3.3 | -2.2 |

1/ Data for 48 States only. Includes loans on rural nonfarm residences. Separate data for farm-ownership and rural-housing loans are available upon request. 2/ Initial loans obligated. 3/ The interest rate on these loans is 5 percent. 4/ The interest rate on these loans is 4 percent.

Farmers Home Administration.

Table 10.--Farmers Home Administration: Purposes of farm-mortgage-loan commitments, direct farm-ownership loans, United States, selected periods, 1961 through 1963 1/

| Item | July 1 to | | July 1 to | |
|---|----------------|--|----------------|--|
| | Dec. 31, 1961 | | Dec. 31, 1962 | |
| | <u>Percent</u> | | <u>Percent</u> | |
| Percentage of total funds committed for-- | | | | |
| Farm real estate purchases----- | 38 | | 39 | |
| Refinancing-- | | | | |
| Mortgages held by-- | | | | |
| Farmers Home Administration----- | 0 | | 0 | |
| Others----- | 38 | | 30 | |
| Total----- | 38 | | 30 | |
| Other indebtedness----- | 5 | | 0 | |
| Total refinancing----- | 43 | | 30 | |
| Repairs and improvements to land and buildings----- | 18 | | 30 | |
| Other purposes: | | | | |
| Known----- | 1 | | 1 | |
| Unknown----- | 0 | | 0 | |
| All purposes----- | 100 | | 100 | |

1/ Data for 48 States only.

Farmers Home Administration.

Table 11.--Farmers Home Administration: Direct farm-ownership and rural-housing loans, United States, 1962 and 1963 ^{1/}

| Item | 1962 | 1963 | Percentage change |
|--|---------|---------|-------------------|
| <u>Beginning of Period</u> | | | <u>Percent</u> |
| Mortgages owned: | | | |
| Number----- | 70,041 | 85,718 | 22.4 |
| Principal indebtedness---1,000 dollars---- | 542,314 | 692,449 | 27.7 |
| <u>During Period</u> | | | |
| Mortgages acquired: | | | |
| Number----- | 18,737 | 15,484 | -17.4 |
| Principal indebtedness---1,000 dollars---- | 183,525 | 157,189 | -14.4 |
| Increase in principal of mortgages already owned-----1,000 dollars---- | 3,889 | 3,675 | -5.5 |
| Payments on principal of mortgages: | | | |
| Mortgages paid in full: | | | |
| Number----- | 2,956 | 4,592 | 55.3 |
| Amount-----1,000 dollars---- | 13,285 | 22,212 | 67.2 |
| Other-----do----- | 23,334 | 24,779 | 6.2 |
| Total-----do----- | 36,619 | 46,991 | 28.3 |
| Percent of principal indebtedness, beginning of period----- | 6.8 | 6.8 | --- |
| Mortgages on farm properties acquired by foreclosure and voluntary conveyance: | | | |
| Number----- | 104 | 93 | -10.6 |
| Principal indebtedness---1,000 dollars---- | 660 | 453 | -31.4 |
| <u>End of Period</u> | | | |
| Mortgages owned: | | | |
| Number----- | 85,718 | 96,517 | 12.6 |
| Principal indebtedness---1,000 dollars---- | 692,449 | 805,869 | 16.4 |
| Mortgages behind schedule in regard to amortization payments: | | | |
| Number----- | 2,755 | 2,702 | -1.9 |
| Percent of total----- | 3.2 | 2.8 | --- |
| Principal indebtedness---1,000 dollars---- | 24,964 | 24,915 | -.2 |
| Percent of total----- | 3.6 | 3.1 | --- |
| Mortgages in process of foreclosure: | | | |
| Number----- | 67 | 74 | 10.4 |
| Percent of total----- | .1 | .1 | --- |
| Principal indebtedness---1,000 dollars---- | 709 | 897 | 26.5 |
| Percent of total----- | .1 | .1 | --- |
| Mortgage-loan commitments during period: ^{2/} | | | |
| Farm-ownership loans: | | | |
| Number----- | 1,087 | 2,125 | 95.5 |
| Amount: | | | |
| Total-----1,000 dollars---- | 15,062 | 30,821 | 104.6 |
| Average-----dollars---- | 13,860 | 14,500 | 4.6 |
| Rural-housing loans: | | | |
| Number----- | 17,620 | 12,547 | -28.8 |
| Amount: | | | |
| Total-----1,000 dollars---- | 170,120 | 118,789 | -30.2 |
| Average-----dollars---- | 9,650 | 9,470 | -1.9 |

^{1/} Data for 48 States only. Includes loans on rural nonfarm residences. Separate data for farm-ownership and rural-housing loans are available upon request.

^{2/} Initial loans obligated.

Farmers Home Administration.